

327 STORY ST

BOONE, IA 50036



CONFIDENTIALITY AGREEMENT & DISCLAIMER

The Offering Memorandum contains select information pertaining to the business and affairs of Scooter's Coffee ("property"). It has been prepared by Prime Net Lease. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Prime Net Lease. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their offices, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

Owner and Prime Net Lease expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offer Memorandum.

A prospective purchaser's sole and exclusive rights with respect to the prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executive Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Prime Net Lease or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or cause of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

BY ACCEPTING THIS CONFIDENTIAL OFFERING MEMORANDUM, YOU AGREE TO RELEASE PRIME NET LEASE AND HOLD IT HARMLESS FROM ANY KIND OF CLAIM, COST, EXPENSE, OR LIABILITY ARISING OUT OF YOUR INVESTIGATION AND/OR PURCHASE OF THIS NET LEASED PROPERTY.

EXCLUSIVELY PRESENTED BY



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PROPERTY DESCRIPTION



PROPERTY DESCRIPTION

Prime Net Lease is pleased to offer the opportunity to acquire the fee simple interest in a recently built Scooter's Coffee. The subject property was originally built in 2019. Due to its excellent location, the franchisee of Scooter's Coffee decided to build the structure and offer the long term 10-year sale-leaseback.

The brand new 10-year lease will begin at the COE. This absolute NNN lease has 2% rental increases annually and grants the Tenant four successive options to extend the lease. Each option is for five years and includes the aforementioned 2% annual rental increases. Additionally, **the annual rent is set at a healthy and below market rent-to-sales ratio (contact agent).**

The Property has excellent visibility and is conveniently situated on a large corner lot along 4th Street and Story Street. 4th Street is a main corridor in the area and sees heavy traffic on a daily basis. Nationally recognized tenants such as Walgreens, Subway, Taco John's, Circle K, U.S Bank, Starbucks, Dollar General, and McDonald's surround the property, further driving consumers to the area. This specific location offers a brand new 10-year lease, excellent corner lot visibility, franchise guarantee, and zero landlord responsibility.

Scooter's Coffee, headquartered in Omaha, NE has close to 500 locations across 26 states. Founded in 1998, Scooter's Coffee now employs over 110,000 people across its many locations.

OFFERING SUMMARY

PROPERTY INFORMATION

Property Address 327 Story St
Boone, IA 50036

Land Area 0.49 Acres

Year Built 2019

Ownership Type Fee Simple

PRICING INFORMATION

Offering Price \$1,200,000

Net Operating Income \$75,000

Cap Rate 6.25%

Price Per Square Feet \$2,205.88

Tenant Scooter's Coffee

Guarantor Franchise

Term Remaining 10 Years from COE

Lease Type Absolute NNN

Landlord Responsibilities None

COMPLETE HIGHLIGHTS



| LOCATION INFORMATION | |
|----------------------|------------------|
| Building Name | Scooter's Coffee |
| Street Address | 327 Story St |
| City, State, Zip | Boone, IA 50036 |
| County | Boone |

| BUILDING INFORMATION | |
|----------------------|-------------|
| NOI | \$75,000.00 |
| Cap Rate | 6.25% |
| Occupancy % | 100.0% |
| Tenancy | Single |
| Year Built | 2019 |

PROPERTY HIGHLIGHTS

- **LONG TERM & BRAND-NEW LEASE** – 10-year lease will commence at the COE, providing a long term and stable investment for a new investor.
- **ABSOLUTE NNN LEASE** – Absolute NNN lease requires no landlord responsibilities and management headaches, ideal for an out-of-area investor
- **RENTAL INCREASES** – There are 2% rental increases annually, providing an investor a hedge against inflation.
- **FRANCHISE GUARANTEE** – The lease is guaranteed by the Franchisee, a strong and growing 13-unit operator looking to expand to more locations.
- **MARKET DOMINANT COFFEE CHAIN** – Scooter's Coffee has been in business for more than 20 years, operates 400+ locations across 26 states, and has aggressive expansion plans for the next several years.
- **HIGH TRAFFIC AREA** – The subject property is situated on a large corner lot and has excellent visibility along 4th Street, a major thoroughfare in the city of Boone, which sees heavy vehicle traffic on a daily basis.
- **PANDEMIC PROOF BUSINESS** – Drive Thru Coffee – Scooter's Coffee is a coffee chain concept that is a majority drive thru, which has driven the success of the brand through COVID.

FINANCIALS

| TENANT | SQUARE FOOTAGE | TERM REMAINING | TERM | RENTAL INCREASE | MONTHLY RENT | MONTHLY RENT PER SF | ANNUAL RENT | ANNUAL RENT PER SF |
|------------------|----------------|-------------------|---------|-----------------|--------------|---------------------|-------------|--------------------|
| Scooter's Coffee | 544 | 10 Years from COE | Year 1 | | \$6,250 | \$11.49 | \$75,000 | \$137.87 |
| | | | Year 2 | 2% Increase | \$6,375 | \$11.72 | \$76,500 | \$140.63 |
| | | | Year 3 | 2% Increase | \$6,502 | \$11.95 | \$78,030 | \$143.44 |
| | | | Year 4 | 2% Increase | \$6,632 | \$12.19 | \$79,591 | \$146.31 |
| | | | Year 5 | 2% Increase | \$6,765 | \$12.44 | \$81,182 | \$149.23 |
| | | | Year 6 | 2% Increase | \$6,900 | \$12.68 | \$82,806 | \$152.22 |
| | | | Year 7 | 2% Increase | \$7,038 | \$12.94 | \$84,462 | \$155.26 |
| | | | Year 8 | 2% Increase | \$7,179 | \$13.20 | \$86,151 | \$158.37 |
| | | | Year 9 | 2% Increase | \$7,322 | \$13.46 | \$87,874 | \$161.53 |
| | | | Year 10 | 2% Increase | \$7,469 | \$13.73 | \$89,632 | \$164.76 |

| RENEWAL OPTIONS | RENTAL INCREASES | LANDLORD RESPONSIBILITIES | TENANT RESPONSIBILITIES | GUARANTEE |
|----------------------|------------------|---------------------------|-------------------------|-----------|
| Four, 5-Year Options | 2% Annually | None | Absolute NNN | Franchise |

TENANT SUMMARY

Sales Growth: 24.32% Year-over-year Same Store Sales Growth (2020-2021)

Unit Volume: \$1,179,980 Drive-Thru Kiosk Average Unit Volume

EBITDA: \$310,231 Average

Don and Linda Eckles were living in California when they stumbled upon a man building a drive-thru coffee hut. It was the late 1990s, and specialty coffee was a hot commodity. Coffeehouses were popping up everywhere, however they were places to sit and sip, not somewhere you'd stop if you were in a hurry. The Eckles asked themselves, "What if you combined coffeehouse quality with drive-thru convenience?" And just like that, the Scooter's Coffee dream was born.

Don and Linda opened their first Scooter's Coffee location in Bellevue, Nebraska, with a simple formula in mind: find a great location and stay committed to high-quality drinks, speed of service and a BIG smile. Customers loved it. Soon, Scooter's Coffee locations were opening all around the Omaha area and by 2001, Don and Linda chose franchising to meet the growing demand for Scooter's Coffee. Scooter's Coffee is now approaching 400 locations spread throughout the United States. The simple formula just goes to show that when you combine a great idea with an unwavering commitment to quality, great things can happen.

Drive-thru coffee kiosks have been popping up all around the country. Nationwide trends indicate that consumers want easy access to specialty coffee and quality service. Approaching 500 locations in the U.S., Scooter's Coffee provides customers with responsibly sourced coffee served up by an amazing team of people, all from a convenient 670+ square foot drive-thru kiosk.



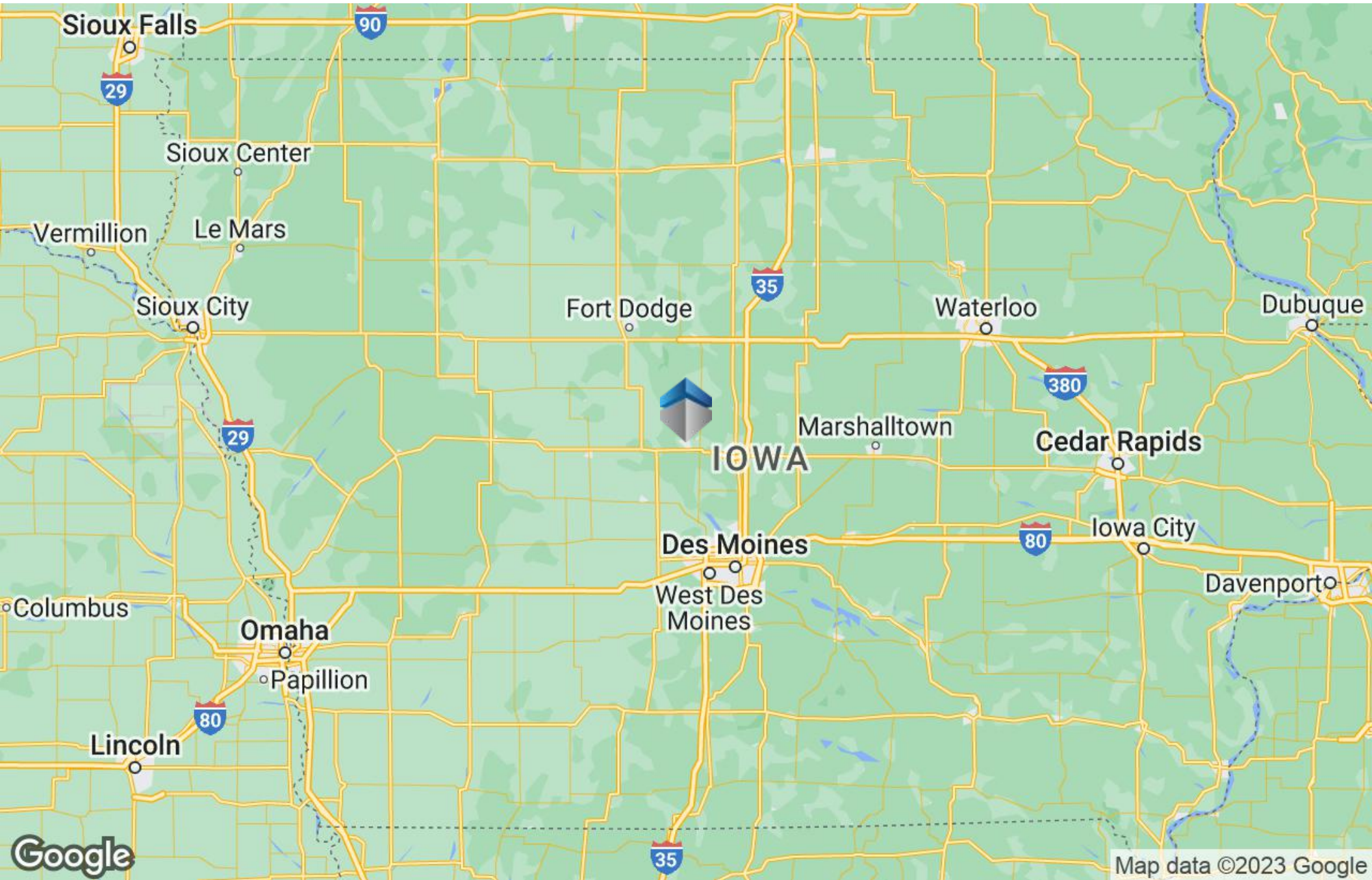
SCOOTER'S COFFEE HEADQUARTERS

| | |
|----------------------------|------------------------|
| WEBSITE | www.scooterscoffee.com |
| FOUNDED | 1998 |
| HEADQUARTERS | Omaha, NE |
| NUMBER OF LOCATIONS | 400 ± |
| NUMBER OF EMPLOYEES | 1,300 ± |

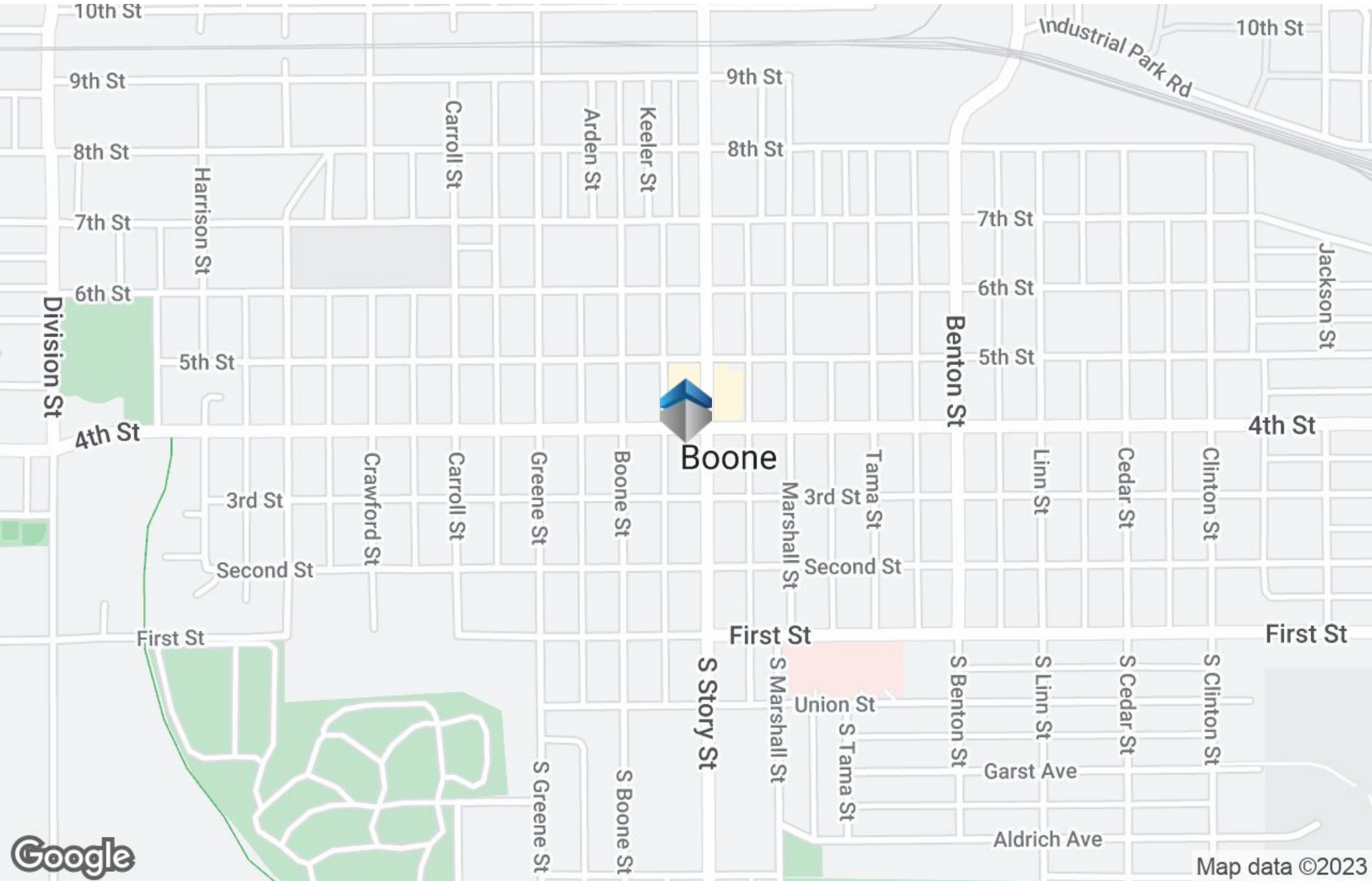
ADDITIONAL PHOTOS



REGIONAL MAP

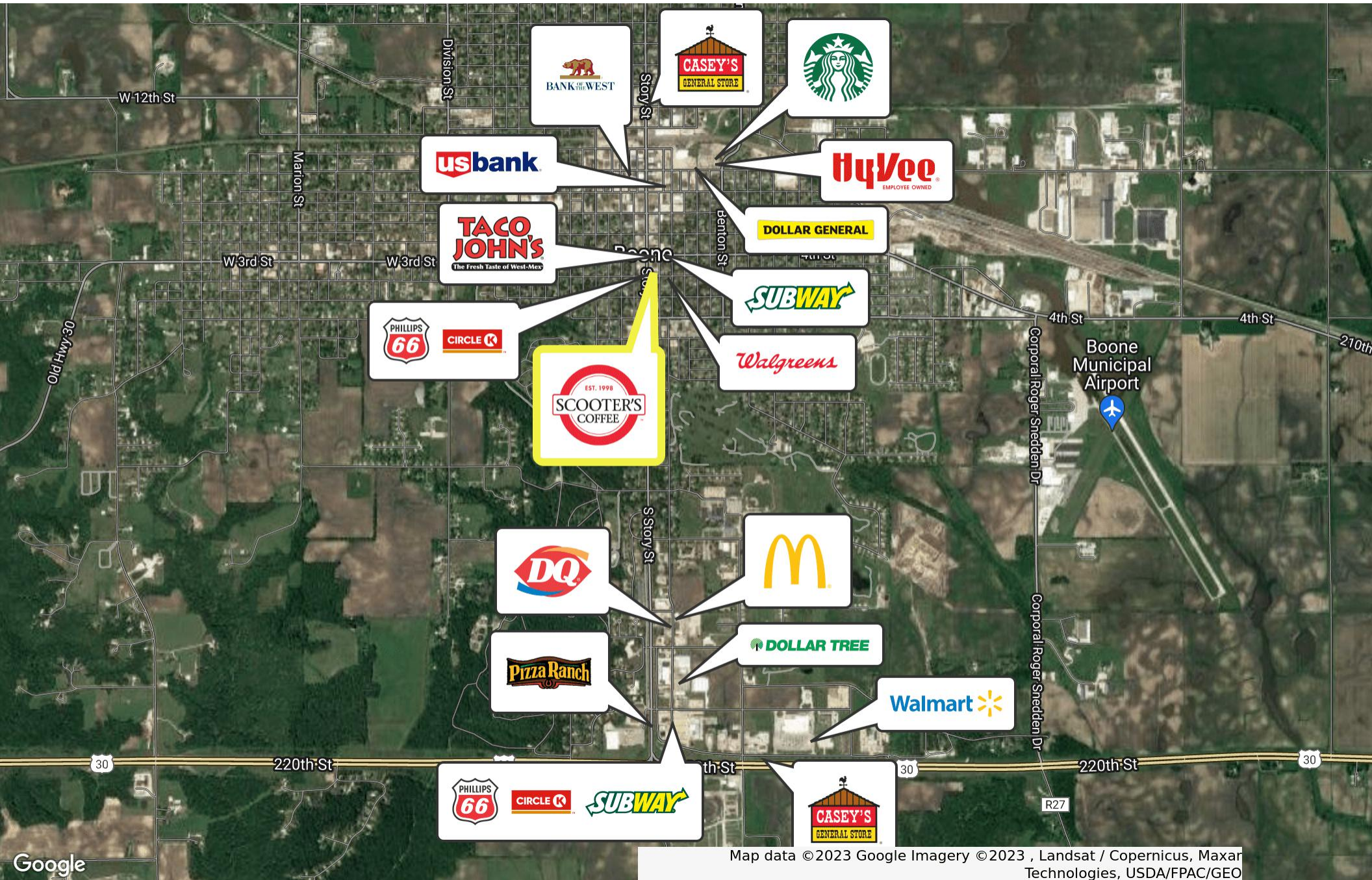


LOCATION MAP



Map data ©2023

AERIAL MAP



Map data ©2023 Google Imagery ©2023 Landsat / Copernicus, Maxar Technologies, USDA/FPAC/GEO

MARKET OVERVIEW

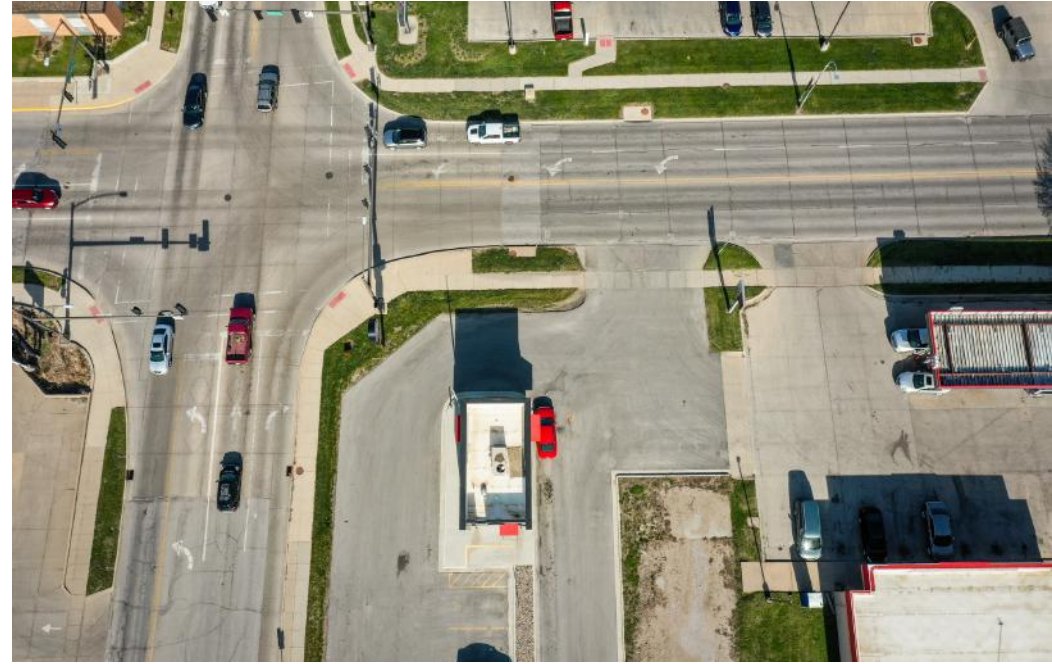
This Scooter's Coffee is located in Boone, Iowa along 4th Street, a major thoroughfare in the area. This is an excellent location for an express coffee shop due to high daily traffic counts. Boone is an expanding town located along U.S Route 30. The original Lincoln Highway ran through the center of town, but a new four-lane highway was built in the late 1960s that bypassed the center of Boone to the south. There is also a network of paved country roads radiating out in all directions. The town of Boone is also located closely to the major city of Des Moines - the capital and the most populous city in the state of Iowa.

Boone is served by the mainline of the Union Pacific, which purchased the Chicago & North Western Railroad (C&NW) in 1995. Boone was a division and crew change point on the railroad under the Chicago & North Western and some of that business remains today. There is a moderate-sized rail yard to the east of the downtown area. The locomotives no longer sound their horns in the town proper due to modifications to the various points where streets intersect with the rail line.

Pufferbilly Days, an annual event celebrating Boone's railroad heritage, is held the week after Labor Day and is one of Iowa's top five community festivals with over 30,000 attendees.

In conjunction with this celebration, during the first week in September, the Boone Speedway holds the Speedway Motors IMCA SuperNationals racing event, with many of the top drivers from across the United States coming to Boone to compete.

Notable businesses that have had or still maintain facilities in Boone include Gates Rubber, Heinrich Envelope, Archway Bakery, Lowe-Berry Seeds, Coca-Cola Bottling, Quinn Iron & Wire Works (now Besser Quinn Machine & Foundry), Mid-States Steel, Sunoco Products, Specialty Leather Productions, Randy's Frozen Meats, PDM Distribution, ProLiant Biologicals, APC, Thermomass Composite Tech, CDS Global, Patterson Logistics and Stoll Bottling.



DEMOGRAPHICS

KEY FACTS



14,525
POPULATION



41.6
AVERAGE AGE



\$139,989
MEDIAN HOUSEHOLD VALUE

BUSINESSES



666
BUSINESSES



6,536
EMPLOYEES

INCOME



\$61,325
MEDIAN HH INCOME



\$74,118
AVERAGE HH INCOME

| | 2 MILES | 5 MILES | 10 MILES |
|----------------------------|-----------|-----------|-----------|
| Total Population | 12,728 | 14,525 | 21,274 |
| 2010 Population | 12,974 | 14,722 | 21,232 |
| 2027 Population | 12,599 | 14,393 | 21,168 |
| Employees | 5,540 | 6,536 | 8,651 |
| Total Businesses | 586 | 666 | 914 |
| Average Household Income | \$72,384 | \$74,118 | \$78,793 |
| Median Household Income | \$60,406 | \$61,325 | \$63,773 |
| Average Age | 40.9 | 41.6 | 42.2 |
| Households | 5,410 | 6,128 | 8,817 |
| Average Housing Unit Value | \$133,481 | \$139,989 | \$152,298 |

ABOUT PRIME NET LEASE

Prime Net Lease is a commercial investment real estate service firm specializing in single tenant net leased properties. Headquartered in Palm Desert, California, the firm provides a full range of brokerage services nationwide to a substantial and diversified client base, which includes high net worth individuals, family trusts, developers, REITs, partnerships and institutional investment funds.

Our primary focus is on net leased retail, which are on a long term leases to well-established national or regional brands. Many of these are publicly traded or have credit rated debt. They are located across the United States in major metropolitan areas, as well as strategic secondary and tertiary markets. Compared to other types of real estate investments, these assets provide investors with the greatest potential to generate consistent and predictable income and the opportunity for appreciation.

Over the last 20 years, Prime Net Lease advisors have been involved in nationwide transactions with the most recognizable brands in the industry. Our past transactions include fast food national brands such as Arby's, KFC, Pizza Hut, Dairy Queen, Burger King, Wendy's; sit down restaurants such as TGI Fridays, Marie Callender's, Applebee's; Gas/Convenience marts such as 7-Eleven, Kum & Go, Quiktrip, Circle-K and larger retail stores such as CVS Pharmacy, Walgreens and Shopko. Additionally we have been involved in a multitude of transaction with local and regional brands.

Whether buying or selling, Prime Net Lease is a trusted and experienced partner in commercial and Net Leased real estate transactions.



15 Kum & Go's Sold in Last 12 Months

Michael Matusik, PNL's Gas/Convenience Specialist, has the highest market share of resale Kum & Go's. In addition, to currently listed locations, Michael has plenty of off market locations available.



Market Leaders in Express Coffee Shops

Adrian Stepien, PNL's express car wash and coffee shop specialist, has recognized the massive opportunity these businesses created during the pandemic and recently executed four sale-leasebacks of Express Coffee Shops.



Drive-Thru Demand Increases as Sit-downs Stumble

Paul Matusik, PNL's President and QSR specialist, has seen a significant increase in interest and suppression of CAP rates on nationally recognized tenants such as KFC, Burger King, and Arby's.

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